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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Ex parte appeal no.	90002396
Appellant	Flexa Network Inc.
Applied for mark	FLEXA CAPACITY
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Serial No.: 90/002396

Mark: FLEXA CAPACITY

Filing Date: June 15, 2020

Applicant: Flexa Network, Inc.

Examining Attorney: Jacqueline Jones  
Law Office 120

**EX PARTE APPEAL**

**APPLICANT'S REPLY BRIEF**

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On March 4, 2022, the Examining Attorney filed the Examining Attorney's Appeal Brief in the above-captioned case. The Examining Attorney has concluded that the mark, CAPACITY, in the Cited Registration so resembles Applicant's mark, FLEXA CAPACITY, such that a Section 2(d) refusal is required. The Examining Attorney's conclusion is based on an incorrect analysis with respect to distinguishing elements of the respective marks and an incomplete understanding of the nature of the Applicant's cryptocurrency services.

***1. The term, FLEXA, is coined and fanciful. It is the dominant and distinctive portion of the Applicant's Mark.***

As the Examining Attorney well knows, FLEXA is a fanciful term coined by the Applicant to be the distinctive source-identifier for Applicant services, much like STARBUCKS®, ADIDAS®, and other coined and fanciful terms. "[A]rbitrary or fanciful terms are those invented or 'coined' for the purpose of serving as trademarks having no apparent relationship to the goods apart from their function as an indicator of origin. Such terms as these are registrable without qualification." *Melaro v. Pfizer Inc.* 214 USPQ 645, 649 (TTAB 1982) (citing *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 202 U.S.P.Q. 401. (CA 9th Cir. 1979)); *see also* 2 McCarthy on Trademarks and Unfair Competition § 11:5 (5th ed. 2021) ("Coined" or "fanciful" word marks consist of invented words that have been created for the sole purpose of serving as a trademark . . . For example, marks such as EXXON for gasoline products and CLOROX for household bleach and cleaning products are made-up, "coined" words.").

Further, as the lead term in the mark, consumers are likely to refer to the Applicant's services as FLEXA and not CAPACITY. The Examining Attorney does not address Applicant's contention about the term FLEXA head-on, and instead her position is confusing and does nothing to controvert the fact that FLEXA is indeed a fanciful term: she at once takes issue with

the term FLEXA, accusing Applicant for failing to “explain what ‘FLEXA’ means,” but then proclaiming that the term, FLEXA, “...has no meaning...” *See Examining Attorney’s Appeal Brief* (Mar. 4, 2022), TSDR, p. 1. Applicant maintains that FLEXA, Applicant’s company name, is a fanciful term that distinguishes and serves as the primary source identifier for its mark.

***2. The addition of the distinctive and fanciful term, FLEXA, to the registered mark, CAPACITY, which the USPTO determined to be descriptive, obviates the similarity between the marks and is sufficient to avoid a likelihood of confusion.***

“Additions or deletions to marks may be sufficient to avoid a likelihood of confusion if: (1) the marks in their entireties convey significantly different commercial impressions; or (2) *the matter common to the marks is not likely to be perceived by purchasers as distinguishing source because it is merely descriptive or diluted.*” TMEP 1207.01(b)(iii) (emphasis added). That is the case here: the “matter common” to both marks, CAPACITY, is descriptive and the prosecution history for the Cited Registration unequivocally confirms this.

The Examining Attorney contends that “[a]lthough Registrant’s mark is on the Supplemental Register, the term ‘CAPACITY’ was not found to be descriptive.” *See Examining Attorney’s Appeal* (Mar. 4, 2022), TSDR, p. 1. But this contention mischaracterizes the prosecution history of CAPACITY. In fact, the mark CAPACITY was initially *refused* registration by the USPTO as being merely descriptive of the services of record. *See Office Action* (Mar. 25, 2013), TSDR, p. 1. In the first Office Action, as a basis of refusal, the Examining Attorney argued “[t]he applicant’s website shows that ‘capacity’ is a main feature of the applicant’s services.” *See id.* The descriptiveness refusal was made final on May 1, 2013 and the application was amended to seek registration on the Supplemental Register, where it is currently registered. The addition of the distinctive term, FLEXA, to Applicant’s mark is

therefore sufficient to avoid a likelihood of confusion because the term, CAPACITY, is descriptive of the Registrant's services.

The Examining Attorney also relies on *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004) to argue that adding a term, such as FLEXA, to a registered mark does not obviate the similarity between the compared marks. But *Chatam* is readily distinguishable from the case at hand. There, the applicant's mark was JOSE GASPAR GOLD for tequila and the registrant's mark was GASPAR'S ALE for beer and ale, with the term ALE disclaimed in the cited registration. The court affirmed the Board's observation that (1) JOSE "reinforces the impression that GASPAR is an individual's name," (2) GOLD is the color of tequila (and therefore descriptive), and (3) ALE is generic for the goods of record. The court concluded therefore that "the Board had good reason to discount ALE, JOSE, and GOLD as significant differences between the marks." *Id.* at 1343. That is not the case here. FLEXA is neither a generic name like JOSE or descriptive like "GOLD" or "ALE." It is a fanciful, distinctive term. The Examining Attorney has provided no good reason to discount FLEXA's distinctive impression.

***3. Prospective purchasers would not view CAPACITY as a shortened form of FLEXA CAPACITY.***

For the first time in her appeal brief, the Examining Attorney argues, in support of her refusal, that "Registrant's mark is likely to appear to prospective purchasers as a shortened form of Applicant's mark." She cites *In re Mighty Leaf Tea*, 601 F.3d 1342, 1348, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010) as her authority. See *Examining Attorney's Appeal Brief* (Mar. 4, 2022), TSDR, p. 1. Again, the facts of *Mighty Leaf* are distinguishable from those in this case. There, the applicant's mark was ML, in standard character form, while the mark in the cited registration

  
was MARK LEES

. The Board found that the similarity in both marks was the *initials*, ML. They noted that the dominant feature of both marks was comprised of *initials* and “. . . that a newcomer’s use of the same *initials*, in connection with the same goods, would likely lead consumers to view the goods as coming from the same source.” *In re Mighty Leaf Tea*, 601 F.3d 1342 at 1348. (emphasis added). In finding a likelihood of confusion between those marks, the Board acknowledged that initials are often used as a commonplace shorthand to refer to source—in this case, “ML,” such that the words connected to “ML” in the applicant’s mark, “Mark Lees,” would be unlikely to distinguish the marks. Here, “CAPACITY” is not the equivalent of initials that consumers will use in connection with a source, particularly where it is a descriptive word.

***4. The Examining Attorney ignores the natural limitations in the channels of trade and customer markets for the highly-specialized collateralized cryptocurrency.***

The Examining Attorney argues that “several items in Registrant’s identification of services are broad enough to include Applicant’s services.” *See Examining Attorney’s Appeal Brief* (Mar. 4, 2022), TSDR, p. 1. This conclusion ignores the narrow and specialized cryptocurrency industry and the sophistication of cryptocurrency users. Importantly, the Examining Attorney’s argument—if accepted—could set a dangerous precedent in the emerging cryptocurrency industry. If accepted, it would wrongfully preclude innovation in methods of financial services in cryptocurrency and unlawfully grant the Registrant a wide and overbroad scope of protection.

On March 9, 2022, President Biden issued an Executive Order on “Ensuring Responsible Development of Digital Assets.”<sup>1</sup> Among other things, the Executive Order (EO) makes clear that “[t]he United States has an interest in responsible financial innovation, expanding access to safe and affordable financial services, and reducing the cost of domestic and cross-border funds transfers and payments, including through the continued modernization of public payment systems.”<sup>2</sup> Applicant’s business falls squarely within the policy goals of the President’s EO. It is important that the Trademark Office act consistently with the EO to support innovation in the cryptocurrency industry by ensuring fair access to protection of marks. Respectfully, the Trademark Office should not grant Registrant wide and overbroad protection of its mark at the expense of Applicant (and innovation).

And while the Examining Attorney posits that there are entities that provide “cryptocurrency exchange services and/or cryptocurrency payment processing and financial information,” the Registrant clearly does not. *See Examining Attorney’s Appeal Brief* (Mar. 4, 2022), TSDR, p. 1. The services offered by the Registrant do not encompass those offered by the Applicant.

### **CONCLUSION**

“If the common element of two marks is ‘weak’ in that it is generic, descriptive, or highly suggestive of the named goods or services, it is unlikely that consumers will be confused unless the overall combinations have other commonality.” TMEP §1207.01(b)(viii); *see also Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 1338-40, 115 USPQ2d 1671, 1674-75 (Fed.

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<sup>1</sup> <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>

<sup>2</sup> *Id.*



Cir. 2015). In the present case, the common element of the marks is the term, CAPACITY. It is descriptive of the Registrant's services. And Applicant's distinctive and fanciful term FLEXA further distinguishes the two marks. Therefore, it is highly unlikely that consumers will be confused.

In light of the foregoing along with the arguments and evidence presented in Applicant's opening brief, Applicant respectfully requests that the Board reverse the Examining Attorney's refusal and allow the application to proceed to registration.

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Respectfully submitted,

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